

U.S. DEPARTMENT OF ENERGY
**Office of Electricity, Delivery and
Energy Reliability**



ENERGY ASSURANCE DAILY

August 26, 2005

Highlights/Major Developments

Update: Hurricane Katrina

**Office of Electricity Delivery and Energy Reliability
Hurricane Katrina Situation Report #2 as of 4:00 p.m. August 26, 2005**

Highlights

- At 2PM EDT Hurricane Katrina was a Category 2 Hurricane with top sustained winds near 100 MPH and was located about 60 miles West-Northwest of Key West Florida. The storm is moving West-Southwest near 8 MPH and a gradual turn toward the west is expected to occur later tonight or Saturday. Katrina could become a Category 3 hurricane on Saturday.
- Hurricane force winds extend outward up to 25 miles from the center and tropical storm winds extend outward up to 85 miles.
- Most offshore oil production facilities and drilling rigs are located well to the west of the anticipated track. The US Minerals Management Service (MMS) currently does not anticipate any serious damage or evacuation of a large number of offshore facilities. Operators continue to monitor the storm predictions but many have begun evacuation of non-essential personnel while a small number on the eastern side of the GOM have completed evacuations. MMS reports that 12 production platforms and 9 drilling rigs have been evacuated so far due to Katrina. These evacuations are equivalent to 1.47% of 819 manned platforms and 6.72% of 134 rigs currently operating in the GOM. Some production platforms which were evacuated can continue producing via remote operation. The current average production in the GOM is 1.5 million barrels of oil per day and 10 billion cubic feet per day of natural gas.
- EPA has granted enforcement discretion in the State of FL to temporarily allow the use of conventional gasoline (9.0 psi RVP) in areas that use a cleaner burning gasoline (7.8 psi RVP). In addition, motor vehicle diesel of greater than 500 ppm sulfur will also be allowed to be used in areas that are required to use a cleaner burning diesel. The enforcement discretion is effective until midnight, August 30, 2005.
- Governor Bush signed an Executive Order (EO#05-176) on 8/24/05 declaring that a State of Emergency exists in the state of Florida due to Katrina.

Electricity Information

- Approximately 1,100,875 customers, 12 percent of customers in the state, are without power. The largest portion is in the Florida Power & Light (FPL) service territory. A small number of outages (4,500) are also reported by Cooperatives.

- The majority of the outages have impacted Broward and Dade counties, who are reporting 445,800 and 620,800 customer outages respectively.
- With the exception of the FL Panhandle where some localized shortages of gasoline have been reported, the Florida EOC reports that fuel supplies are at normal levels. Product is being distributed. Major haulers are sending additional carriers into the region to provide support. Some panic buying in Miami-Dade area had created long lines. Local Emergency Operations Centers report adequate fuel for first responders.

COUNTY OUTAGE DATA

Florida County Outage Data: (as of 8/26/05 3:00 PM EDT)

County	Customers w/o Power	Total Customers	% Customers w/o Power
Broward	445,800	880,231	51%
Dade	620,800	984,905	64%
Monroe	4,550	60,080	8%
Palm Beach	13,300	702,259	2%

Additional Information:

More Than One Million Remain Without Power After Katrina Hits South Florida

By 2:00 Friday afternoon, Florida Power and Light crews had restored power to some 350,000 customers of the approximately 1,450,000 customers that were without power as hurricane Katrina cut a swath through the densely populated Miami metropolitan area and moved on to the west. FPL continues to assess the situation and is working to restore as quickly as possible.

<http://www.fpl.com/news/2005/contents/05101.shtml>

Gulf of Mexico Shut-in Production MMS release #3326

Based on the latest data available from the Minerals Management Service, 1.47% of 819 manned platforms and 6.72% of 134 rigs currently operating in the GOM have been evacuated as of 1:00 pm Friday. Shut in oil production is equivalent to 0.0% of daily production (which is currently approximately 1.5 million BOPD), and shut-in gas is 0.0% of daily production (which is currently approximately 10.0 BCFPD).

This survey is reflective of 4 companies' reports as of 11:30 a.m. Central Time.

Districts	Lake Jackson	Lake Charles	Lafayette	Houma	New Orleans	Total
Platforms Evacuated	0	0	0	4	8	12
Rigs Evacuated	0	0	0	5	4	9
Oil, BOPD Shut-in	0	0	0	0	0	0
Gas, MMCF/D Shut-In	0	0	0	0	0	0

<http://www.mms.gov/ooc/press/2005/press0826.htm>

Note: The information in the following article was apparently not provided to MMS in time to be included in the survey results published as of 11:30 a.m. and consequently the numbers are not reflected in the above table.

Total Shuts-in Gulf Production in Response to Hurricane Katrina, August 26

In response to Hurricane Katrina, Total was the only company to shut in production on Friday, for a total of 16,500 b/d of oil and 259 mcf/d of natural gas production. Several other companies took precautionary measures by evacuating non-essential workers. Most companies said that they would not likely shut-in production unless Katrina turns westward into the vicinity of production facilities.

Reuters, 13:21 August 26, 2005

Power Outage in Southern California

Transmission Outage Hits Southern California, Power Interrupted to 400,000

More than 400 thousand customers of Southern California Edison had their power cut on Thursday for about an hour when a major transmission line lost power. The California ISO sent notice to Edison just before 4:00 on Thursday afternoon following the loss of the DC Intertie to immediately shed 900 MW of firm load and 800 MW of interruptible load to maintain grid stability. Edison then cut power to approximately more than 400 thousand customers but was able to restore power at 4:35 p.m. The cause of the outage on the transmission line has not been determined.

Sources: Cal ISO, Bloomberg, Reuters, CNN

<http://www.caiso.com/awe/noticelog.html>

Bloomberg 20:48, August 25, 2005.

Bloomberg 22:25, August 25, 2005.

Reuters 20:22, August 25, 2005

<http://www.cnn.com/2005/US/08/25/calif.blackouts.ap/index.html>

Electricity

Santee Cooper's Coal-fired Unit in South Carolina Being Replaced by Wood Unit

About 75,000 tons/yr of coal at Santee Cooper's 306-MW Jefferies No. 3 coal-fired unit in Berkeley County, South Carolina, will be displaced by a wood-fired unit. Construction continues on two new coal-fired units, which will generate 1,600 megawatts total. Construction is expected to be complete by 2007 and 2009, respectively.

<http://www.platts.com/Coal/News/6063198.xml?S=n>

Gunshots Threaten WPS Power Line Project in Wisconsin

Surveyors in Marathon County, Wisconsin, who were preparing for the construction of a high-voltage power line across northwestern Wisconsin, were threatened by a man on an all-terrain vehicle firing four shots in the air this past Tuesday. Crews had previously been threatened verbally by power line opponents.

http://www.dhs.gov/interweb/assetlibrary/DHS_Daily_Report_2005-08-26.pdf

Update - DC Public Service Commission Asks FERC and DOE to Keep Mirant Plant Open

The Public Service Commission of the District of Columbia has filed a petition with the Federal energy Regulatory Commission and is also asking the Secretary of Energy to direct Mirant to keep its power plant in suburban Virginia operating. The plant was temporarily shut down by Mirant after being ordered by the Virginia Department of Environmental Quality to meet air quality standards or close down. The Commission cited the potential for blackouts affecting the ability of the Federal government to operate in its communications with FERC and DOE.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=5904404

NRC Could Shut the Oconee Nuclear Plant if Problem Not Corrected

The Nuclear Regulatory Commission has warned that if a problem discovered during a test at the Oconee nuclear generating station on August 20 is not corrected, the plant could be shut down. The origin of the problem has not been determined and the plant operator Duke has asked for a four-day extension to fix the problem.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=5901705

Scana's 966-MW Summer Nuclear Plant Shut

Scana Corp.'s 966-megawatt nuclear reactor in South Carolina was shut down Thursday after experiencing a fire in the housing of a condensate-pump motor. A company spokesman said that the single-reactor Summer plant would return to service by the end of the weekend.

Bloomberg 10:27 August 26, 2005

Dresden 3 Nuclear Unit at 61 Percent, August 26

Bloomberg 7:57 August 26, 2005

Petroleum

Update – Agreement Signed in Ecuador

Protesters in Ecuador signed an agreement with the government to officially end all protests, thus ending the disruption in oil production. As of Thursday, production was at 463,548 b/d, up from 452,016 b/d Wednesday, still under Ecuador's normal crude output average of 530,000 b/d.

<http://www.platts.com/Oil/News/8078963.xml?S=n>

Update - Tesoro's Golden Eagle Refinery Remains Shut

The 168,000 barrel-per-day refinery in Martinez, California remained shut on Friday morning following Wednesday's fire in a catalytic cracking unit. The schedule for repairs will not be announced until next week, according to a company spokesman.

Reuters, 11:29 August 26, 2005

Natural Gas

FWS and NOAA Urged by FERC to Quickly Review Natural Gas Delivery Project

Trying to expedite the replacement of Williams' Northwest Pipeline in western Washington State, FERC asked the U.S. Fish and Wildlife Service (FWS) and National Oceanic and Atmospheric Administration (NOAA) to accelerate their review of the \$333 million replacement project.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BegmppnpWUkgt%3EEvbfek%5Cv>

Other News

Nothing to Report.

Energy Prices

	Latest (08/26/05)	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate US \$/Barrel	66.05	66.51	43.06
NATURAL GAS Henry Hub \$/Million Btu	9.86	9.09	5.19

Source: Reuters

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated on Wednesdays

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 1:00pm (Eastern time) on Wednesdays

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 pm (Eastern time) on Thursdays

ENSEC threat awareness blog site from Energy Assurance

<http://ensec.blogspot.com>